

NOV 19 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	
State Petitions For Extension of)	CC Docket No. 97-160
Time on Forward-Looking Economic)	
Cost Models)	DA 97-2329

**COMMENTS OF U S WEST, INC. TO
REQUESTS FOR EXTENSION OF TIME**

I. INTRODUCTION

U S WEST, Inc. ("U S WEST") submits its comments on the various requests by state commissions for an extension of time to file their forward-looking economic cost studies to determine federal universal service support for non-rural local carriers in their states.¹ In addition to the requests for extensions listed in the Public Notice, requests for extension of time have also been filed by the Minnesota and New Mexico commissions.²

¹ Public Notice, States Request Extension of Time for Submission of Forward-Looking Economic Cost Studies, DA 97-2329, rel. Nov. 5, 1997. The Public Notice requests comment on the following filings: Nebraska Public Service Commission's Request for Extension of Time filed Sep. 24, 1997; Public Service Commission of Nevada's Corrected Request for Extension of time filed Sep. 26, 1997; Request for an Extension of time to File Cost Models by the National Association of Regulatory Utility Commissions ("NARUC") filed Oct. 6, 1997; Expedited Petition for Extension Regarding Construction of Forward-Looking Economic Cost Study for Universal Service Due February 6, 1998, filed Oct. 14, 1997, by the Tennessee Regulatory Authority; and Motion for Extension of Time for Filing Forward-Looking Economic Cost Studies filed Oct. 31, 1997, by the Maine Public Utilities Commission.

² Minnesota Public Utilities Commission's Request for Extension of Time filed Oct. 1, 1997, and Motion for Extension of Time to File Forward-Looking Economic Cost Study filed by the New Mexico State Corporation Commission on Nov. 5, 1997.

II. U S WEST SUPPORTS A LIMITED EXTENSION OF TIME

The requests for additional time for states to file their forward-looking economic cost models range from three months (to May 6, 1998),³ to four months (to June 6, 1998),⁴ to almost seven months (to September 1, 1998).⁵ U S WEST supports a limited extension of time, to June 1, 1998, for the states' filing of these cost models for the reasons discussed below.

The Federal Communications Commission ("FCC") is carefully examining the cost models and building a record to support the selection of a platform for the federal model. In addition, there is still much work to be done to determine specific model inputs which are critical to obtaining high-quality output. Once these decisions are made, the states will need adequate time to examine and analyze the federal platform, and possibly alternative platforms if they are not satisfied with the FCC's choice. Many state commissions have limited staff and resources available to review the models. For them to expend valuable limited resources in reviewing models which in the end may be deemed to not meet the FCC's standards would be inefficient and wasteful. It would be preferable that review of the models occur after it is determined that the models meet the FCC's standards.

The current deadline of February 6, 1998 for submission of the states' cost studies does not allow adequate time for the states to complete their work. Therefore, U S WEST supports a limited extension. In fact, without such an extension the states cannot properly do their jobs.

³ Nebraska at 1; Nevada at 1; Maine at 1, 3.

⁴ Minnesota at 1-3; Tennessee at 1-2; New Mexico at 1, 5.

Having said that, however, U S WEST emphasizes that it is critically important that the high-cost funding mechanism be in place and begin on schedule, now set for January 1, 1999. There are many actions that are removing implicit support from universal service. To preserve affordable service in rural America, it is critical that those support mechanisms be replaced as quickly as possible. While it would have been preferable for high-cost funding to begin earlier, in no event should the January 1, 1999 date be permitted to slide. It is imperative that support funding begin as scheduled and as announced in the FCC's Universal Service Order.⁶

Therefore, U S WEST proposes that the current deadline for the states' submission of their cost studies be extended from February 6, 1998 to June 1, 1998. Those states submitting their studies by that date will receive funding based on those studies starting January 1, 1999. Any state which chooses not to submit a study or which is unable to meet that deadline will receive funding based on the federal platform.

In addition, U S WEST proposes that states not meeting the June 1, 1998 deadline, but who are still interested in submitting their own cost studies for use in years 2000 and beyond, be required to submit those studies by June 1 of the year prior to the effective date (e.g., by June 1, 2000, for use beginning January 1, 2001).⁷

⁵ NARUC at 1, 4, 5.

⁶ In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, 12 FCC Rcd. 8776, 8912 ¶ 248 (1997).

⁷ While states not submitting their cost studies by June 1, 1998, may default to the federal model for funding, once a state's study has been filed, funding will be based

III. AN EXPEDITED DECISION BY THE FCC IS NECESSARY

Hearings on cost studies have been scheduled for December in a number of states, some beginning as early as December 1, 1997.⁹ Therefore, it is critical that the FCC address this issue as soon as possible and provide these states with a reasonable extension of time for the submission of their studies.

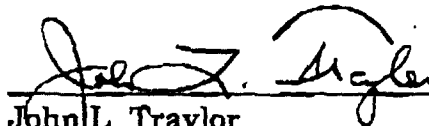
IV. CONCLUSION

U S WEST urges the FCC to extend the deadline for states' submission of their forward-looking economic cost studies from February 6, 1998 to June 1, 1998. Further, the FCC should establish a June 1 deadline for submission of cost studies by those states who opt to use a state model in subsequent years.

Respectfully submitted,

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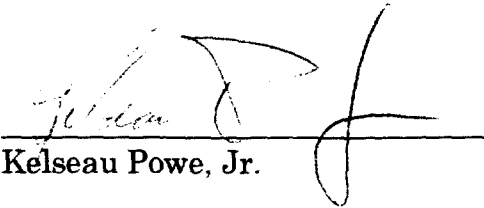
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on that study for all subsequent years. States will not have the option of choosing between models in subsequent years.

⁹ See, e.g., New Mexico at 4.

CERTIFICATE OF SERVICE

I, Kelseau Powe, Jr., do hereby certify that on this 19th day of November, 1997, I have caused a copy of the foregoing **COMMENTS OF U S WEST, INC. TO REQUESTS FOR EXTENSION OF TIME** to be served, via United States Mail, postage prepaid, upon the persons listed on the attached service list.



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